

ROGER MANNO
19th Legislative District
Montgomery County

Budget and Taxation Committee
Health and Human Services Subcommittee

Joint Committee on Federal Relations

Joint Committee on Health Care
Delivery and Financing



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Received & Inspected

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March 20, 2012

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses; Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC, WT Docket No. 12-4

Dear Ms. Dortch:

As a Maryland State Senator, I am writing to express my concern over Verizon Wireless' joint marketing and spectrum acquisition agreement with cable companies and how it will impact Maryland consumers. As I understand it, Verizon Wireless and the major cable companies (Comcast, Time Warner, Bright House Networks and, in a separate deal, Cox) will jointly market each other's products. Verizon Wireless and the cable companies will offer a "quadruple play:" wireless service, broadband, video content ("cable TV"), and telephone service. Verizon Wireless will also purchase \$3.9 billion worth of wireless spectrum from Comcast, Time Warner, and Bright House Networks. This deal reverses the long-time rivalry between cable and telephone companies by creating an alliance with overwhelming market power to stifle competition.

I believe this proposal raises a few concerns for consumers, including: (1) the lack of consumer choice, (2) price increases and a decrease in service quality, and (3) the decrease in jobs due to the disincentive for Verizon to build-out FiOS.

First, I am concerned that Maryland consumers will no longer be able to choose the company from which they want to buy their services. Verizon Wireless and Comcast are, respectively, the nation's largest wireless provider and the largest cable provider. Time Warner and Cox are also the dominant cable company in their regions. The exclusive ability to offer a "quadruple play" and their already dominant status in the market will allow the Verizon Wireless/cable company alliance to exercise unprecedented market power. This deal is contrary to the purpose of the Telecommunications Act of 1996, which intends to generate competition for the benefit of consumers with lower prices, better service, and innovation.

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Second, I am concerned with the potential increase in cable and wireless prices and lower service quality. The Verizon Wireless/Comcast/Time Warner/Cox behemoth will eliminate competition. Since wireless, cable, internet and internet-telephone prices are unregulated, prices and service quality will be subject to the desires of an unregulated monopoly by these telecommunications giants. Without any competition, the Verizon/Time Warner/Comcast quasi-monopoly will increase prices for these essential services. Also, the lack of competition fails to provide an incentive to maintain or improve the quality of services, which will result in a reduction in service quality for consumers.

Third, I am concerned that the transaction will be a detriment to job creation in Maryland. If this deal is approved, Verizon Wireless will partner with cable to market each others' services. As a result, Verizon will have strong incentives not to compete against its new cable partners and, in turn, lack the incentive to build-out FiOS. The direct job loss will be the hundreds of technicians that would be employed building, installing and maintaining FiOS in the area.

I respectfully request that the Federal Communications Commission will address the above mentioned concerns before approving such a transaction. It is imperative that we protect consumers in the State of Maryland.

Respectfully,



Roger Manno
Maryland State Senate